

**BANK INDONESIA REGULATION**

**NUMBER 2/7/PBI/2000**

**CONCERNING**

**THE STATUTORY RESERVE IN RUPIAHS AND FOREIGN  
CURRENCIES FOR COMMERCIAL BANKS CONDUCTING  
BUSINESS BASED ON SHARIA PRINCIPLES**

**THE GOVERNOR OF BANK INDONESIA,**

Considering:

- a. whereas to support monetary stability and compliance with prudential banking principles, it is necessary for commercial banks to maintain the statutory reserve;
- b. whereas with the development of banking systems based on sharia principles, it is necessary for the statutory reserve requirement to be also applied to commercial banks conducting business based on sharia principles;
- c. now therefore it is deemed necessary to establish provisions concerning the statutory reserve in rupiahs and foreign currency for commercial banks conducting business based on sharia principles in a Bank Indonesia Regulation;

In view of:

1. Act Number 7 of 1992 concerning Banking (State Gazette Number 31 of 1992, Supplement to the State Gazette Number 3472) as amended by Act Number 10 of 1998 (State Gazette Number 182 of 1998, Supplement to the State Gazette Number 3790);

2. Act Number ...

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette Number 66 of 1999, Supplement to the State Gazette Number 3843);

**HAS DECREED:**

To enact: **THE BANK INDONESIA REGULATION CONCERNING THE STATUTORY RESERVE IN RUPIAHS AND FOREIGN CURRENCIES FOR COMMERCIAL BANKS CONDUCTING BUSINESS BASED ON SHARIA PRINCIPLES.**

CHAPTER I

GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. Bank is a Commercial Bank as referred to in Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998, which conducts business based on sharia principles and includes sharia divisions and branch offices of foreign banks conducting business based on sharia principles;
2. Foreign Exchange Bank is a Bank with a letter of appointment from Bank Indonesia enabling it to conduct banking operations in foreign currencies and/or conduct banking transactions with overseas parties;
3. Sharia Division is a division set up in the head office of a Bank, functioning as the head office of sharia branch offices;
4. Bank Third Party Funds, hereinafter referred to as Bank DPK (*Dana Pihak Ketiga*), are liabilities of a Bank towards residents and non-residents in rupiahs and foreign currencies;

5. Statutory Reserve is the minimum deposit of a Bank held in a demand deposit at Bank Indonesia, the amount of which is determined by Bank Indonesia;
6. Negative Balance of Demand Deposit is the balance of a Bank account in rupiahs at Bank Indonesia for which the figure is negative;
7. Interbank Money Market Based on Sharia Principles, hereinafter referred to as PUAS (*pasar uang antarbank berdasarkan prinsip syariah*) is short term investment activities in rupiahs among market participants based on the *mudharabah* principle;
8. Indicated Rate of Return on the PUAS is the weighted average indicated rate of return on *mudharabah* interbank investment certificates formed on the PUAS;
9. *Mudharabah* Interbank Investment Certificate, hereinafter referred to as IMA Certificate, is a certificate used as a means to obtain funds according to the *mudharabah* principle;
10. Money Market Information Center, hereinafter referred to as PIPU (*Pusat Informasi Pasar Uang*), is an automated system for providing money market information stipulated by Bank Indonesia.

## Article 2

- (1) Banks shall maintain the Statutory Reserve in rupiahs.
- (2) In the event that a Bank as referred to in paragraph (1) holds the status of Foreign Exchange Bank, in addition to maintaining the Statutory Reserve in rupiahs, it shall also maintain the Statutory Reserve in foreign currency.

## Article 3

- (1) The Statutory Reserve in rupiahs is stipulated at 5% (five percent) of Bank DPK in rupiahs.
- (2) The Statutory ...

- (2) The Statutory Reserve in foreign currency is stipulated at 3% (three percent) of Bank DPK in foreign currencies.
- (3) Compliance with the percentage Statutory Reserve as referred to in paragraph (1) and paragraph (2) shall take place on a daily basis at the time that Bank Indonesia closes its accounting system.

#### Article 4

Any regulatory change in the percentage of the Statutory Reserve as referred to in Article 3 shall be stipulated in a Circular Letter of Bank Indonesia.

### CHAPTER II

#### DEMAND DEPOSIT ACCOUNTS OF BANKS AT BANK INDONESIA

#### Article 5

A Bank may maintain only 1 (one) demand deposit account in rupiahs at the local Bank Indonesia office.

#### Article 6

- (1) In the event that a Bank as referred to in Article 5 has the status of Foreign Exchange Bank, in addition to maintaining a demand deposit account in rupiahs it shall also maintain 1 (one) foreign currency demand deposit account at the Bank Indonesia head office.
- (2) The foreign currency demand deposit account referred to in paragraph (1) shall be denominated in the United States dollar currency.

### CHAPTER III

### CHAPTER III

#### PROCEDURE FOR CALCULATION OF THE STATUTORY RESERVE

##### Article 7

- (1) The Statutory Reserve shall be calculated by comparing the total balance of demand deposits at all Bank offices recorded at Bank Indonesia every day during 1 (one) reporting period against the average daily Bank DPK during 1 (one) reporting period at 2 (two) reporting periods previously.
- (2) Calculation of the Statutory Reserve as referred to in paragraph (1) shall apply separately for the Statutory Reserve in rupiahs and the Statutory Reserve in foreign currency.

##### Article 8

The balance of the demand deposit account of a Bank at Bank Indonesia as referred to in Article 7 paragraph (1) shall consist of:

- a. total balance of demand deposit accounts in rupiahs for all offices of the Bank at Bank Indonesia;
- b. balance of the foreign currency demand deposit account at the Bank Indonesia head office.

##### Article 9

Bank DPK as referred to in Article 7 paragraph (1) consists of:

- a. total Bank DPK in rupiahs at all offices of the Bank in Indonesia;
- b. total Bank DPK in foreign currency at all offices of the Bank in Indonesia.

##### Article 10

Article 10

- (1) Bank DPK in rupiahs as referred to in Article 9 letter a encompass liabilities to non-bank third parties, comprising demand deposits, savings deposits, time deposits, and other liabilities.
- (2) Bank DPK in foreign currencies as referred to in Article 9 letter b encompass liabilities in foreign currencies to third parties including banks and Bank Indonesia, comprising demand deposits, savings deposits, time deposits, and other liabilities.

Article 11

Any amendment to the regulations governing the procedure for calculation of the Statutory Reserve as referred to in Article 7, Article 8, Article 9, and Article 10 shall be stipulated in a Circular Letter of Bank Indonesia.

CHAPTER IV

REPORTING

Article 12

- (1) Banks shall deliver reports to Bank Indonesia on Bank DPK and assets and liabilities accounts in rupiahs and foreign currencies on a regular and truthful basis.
- (2) The procedure for formulation and delivery of the reports referred to in paragraph (1) shall be stipulated in a Circular Letter of Bank Indonesia on bank reporting.

CHAPTER V

## CHAPTER V

### SANCTIONS

#### Article 13

A Bank shall be deemed in violation of the Statutory Reserve in the event that the daily balance of the demand deposit of the Bank at Bank Indonesia falls below the Statutory Reserve that should be maintained.

#### Article 14

- (1) In the event of violation of the Statutory Reserve as referred to in Article 13 in respect of the demand deposit in rupiahs and the demand deposit in rupiahs has a positive balance, the Bank shall be liable to a financial penalty equal to 125% (one hundred and twenty five percent) of the Indicated Rate of Return on the PUAS for the shortfall in the Statutory Reserve for each day of violation.
- (2) In the event of violation of the Statutory Reserve as referred to in Article 13 in respect of a demand deposit account in rupiahs and the demand deposit account in rupiahs has a negative balance, the bank shall be liable to a financial penalty of:
  - a. 125% (one hundred and twenty five percent) of the Indicated Rate of Return on the PUAS in respect of the Statutory Reserve to be maintained, with the addition of
  - b. 150% (one hundred and fifty percent) of the Indicated Rate of Return on the PUAS in respect of the negative balance,for each day of violation.

#### Article 15

Article 15

In the event that data on the Indicated Rate of Return on the PUAS as referred to in Article 14 is unavailable, the imposition of sanctions shall be calculated according to the average return on *mudharabah* investment deposits at all Banks prior to distribution during the previous month.

Article 16

- (1) In the event of violation of the Statutory Reserve as referred to in Article 14 in respect of the foreign currency demand deposit, the Bank shall be liable to a financial penalty equal to 0.04% of the shortfall in the Statutory Reserve for each day of violation.
- (2) The financial penalty as referred to in paragraph (1) shall be paid in the rupiah currency at the exchange rate for Bank Indonesia transactions on the day of the violation.

Article 17

- (1) Financial penalties as referred to Article 14 and Article 16 shall be imposed by deduction from the rupiah demand deposit account of the Bank at Bank Indonesia.
- (2) In the event that deduction from a rupiah demand deposit account of a Bank as referred to in paragraph (1) results in a negative balance, the Bank shall also be liable to sanctions in respect of the negative balance as referred to in Article 14 paragraph (2).

Article 18



Article 18

Any amendments to the regulations governing sanctions for violation of the Statutory Reserve as referred to in Article 14 and Article 16 shall be stipulated in a Circular Letter of Bank Indonesia.

CHAPTER VI

TRANSITIONAL PROVISIONS

Article 19

Any implementing regulations pertaining to the Statutory Reserve in existence prior to this Bank Indonesia regulation shall to the extent that they have not been updated and are not in conflict with this Bank Indonesia Regulation shall remain in force.

CHAPTER VII

CONCLUDING PROVISIONS

Article 20

This Bank Indonesia Regulation shall come into force on March 1, 2000.

Enacted in: Jakarta,

Date: February 23, 2000

**THE GOVERNOR OF BANK INDONESIA**

(signed)

**SYAHRIL SABIRIN**

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 22 OF 2000

DPNP



**ELUCIDATION**  
**TO**  
**BANK INDONESIA REGULATION**  
**NUMBER 2/7/PBI/2000**  
**CONCERNING**  
  
**STATUTORY RESERVE IN RUPIAHS AND FOREIGN**  
**CURRENCIES FOR COMMERCIAL BANKS CONDUCTING**  
**BUSINESS BASED ON SHARIA PRINCIPLES**

**I. GENERAL REVIEW**

In order to create and maintain monetary stability, among the tasks performed by Bank Indonesia is to manage the money supply, in which one of the instruments used for control of the money supply is by managing the statutory reserve for banks at Bank Indonesia.

Furthermore, to bring about a sound banking system. that is capable of meeting the demands of the growth and dynamics of the national and international banking system, it is necessary to create a strong banking system firmly grounded in prudential banking principles. These prudential banking principles include the prudential principles for management of bank liquidity risk, i.e., the risk of the inability of the bank to meet liabilities that must be promptly settled upon falling due.

In assessing this liquidity risk, indicators are required that can be used to assess and secure the ability of the bank to meet liabilities falling due. One of these indicators is obtained by comparing the demand deposit balance of the bank at Bank Indonesia with the third party funds held by the Bank, otherwise referred to as the statutory reserve.

A banking system has now been developed that is established upon sharia principles. According to this system, conventional commercial banks may convert part or all of their business operations to conduct business based on sharia principles. In this regard, it is deemed necessary to enact provisions concerning ...

concerning the Statutory Reserve for banks conducting business based on sharia principles. The enactment of these provisions concerning the Statutory Reserve for banks conducting business based on sharia principles does not violate the precepts of *fiqih*.

Sharia commercial banks and conventional commercial banks have different characteristics, and therefore it is highly likely that the third party funds of these two types of commercial banks will contain differing components. Therefore, because sharia banking is still in the process of development and the Sharia Financial Accounting Standards (*PSAK Syariah*) have not yet been formulated, for the time being the stipulation of components of third party funds for sharia commercial banks shall receive the same treatment as components of third party funds for conventional commercial banks.

For a conventional commercial bank with a Sharia Division, the function of head office for the sharia operations is performed by the Sharia Division. A conventional commercial bank with a Sharia Division is permitted to open 2 (two) demand deposit accounts at Bank Indonesia for rupiahs and foreign currency respectively. These accounts shall be managed and used separately for conventional business operations and business operations based on sharia principles.

## **II. ARTICLE BY ARTICLE**

### **Article 1**

Number 1 to number 10

Self-explanatory.

### **Article 2**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 3

Article 3

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 4

Self-explanatory.

Article 5

In the event that a Bank has more than 1 (one) office in one Bank Indonesia region, the Bank concerned may maintain only 1 (one) demand deposit account in rupiahs at the local Bank Indonesia office.

Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 7

Paragraph (1)

The formula for calculating the Statutory Reserve Requirement is as follows:

The daily balance of the demand deposit for all offices of the Bank recorded daily at Bank Indonesia during 1 (one) reporting period.

The average daily Bank Third Party Funds (DPK) during 1 (one) reporting period at 2 (two) reporting period previously.

The percentage ...

The percentage of Statutory Reserves in rupiahs or foreign currency shall be based on Bank DPK as follows:

- a. The daily Statutory Reserve for a reporting period from the 1st day to the 7th day of the month shall be 5% (five percent) or 3% (three percent) of average Bank DPK for the reporting period from the 16th day to the 23rd day of the previous month.
- b. The daily Statutory Reserve for a reporting period from the 8th day to the 15th day of the month shall be 5% (five percent) or 3% (three percent) of average Bank DPK for the reporting period from the 24th day to the end of the previous month.
- c. The daily Statutory Reserve for a reporting period from the 16th day to the 23rd day of the month shall be 5% (five percent) or 3% (three percent) of average Bank DPK for the reporting period from the 1st day to the 7th day of the same month.
- d. The daily Statutory Reserve for a reporting period from the 24th day to the end of the month shall be 5% (five percent) or 3% (three percent) of average Bank DPK for the reporting period from the 8th day to the 15th day of the same month.

Paragraph (2)

Self-explanatory.

#### Article 8

Letter a

Self-explanatory.

Letter b

Self-explanatory.

#### Article 9

Letter a

Self-explanatory.

Letter b

Self-explanatory.

#### Article 10

#### Article 10

##### Paragraph (1)

In this provision, demand deposit, savings deposit, and time deposit are defined as *wadiah* demand deposit, *mudharabah* savings deposit, and *mudharabah* investment deposit.

Bank DPK in rupiahs do not include funds received by a Bank from Bank Indonesia and from Rural Banks.

##### Paragraph (2)

Self-explanatory.

#### Article 11

Self-explanatory.

#### Article 12

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

Self-explanatory.

#### Article 13

Self-explanatory.

#### Article 14

##### Paragraph (1)

The data used for the Indicated Rate of Return on the PUAS is the weighted average indicated rate of return on IMA Certificates recorded on the PIPU.

The sanctions comprising penalty of payment for shortfall of Statutory Reserves in rupiahs are calculated as follows:

**Shortfall in Statutory Reserves x 125% x Indicated Rate of Return on the PUAS x 1/360**

Sample calculation:

Sample calculation:

- a. The required rupiah demand deposit balance of a Bank at Bank Indonesia for the period of the 1st to the 7th is Rp 10 billion;
- b. The rupiah demand deposit balance of the Bank recorded at Bank Indonesia on the 2nd day of the month is Rp 1 billion;
- c. The Indicated Rate of Return on the PUAS on the 1st day of the month is 12% (twelve percent);
- d. The financial penalty for the 1st day of the month is:

$$\begin{aligned} & [\text{Rp 10 billion} - \text{Rp 1 billion}] \times 1.25 \times 0.12 \times 1/360 \\ & = \text{Rp 3,750,000} \end{aligned}$$

Paragraph (2)

Sample calculation:

The financial penalty for a negative balance is:

**Statutory Reserve x 125% x Indicated Rate of Return on the  
PUAS x 1/360**

**plus**

**Negative Balance x 150% x Indicated Rate of Return on the  
PUAS x 1/360**

Sample calculation:

- a. The required rupiah demand deposit balance of a Bank at Bank Indonesia for the period of the 1st to the 7th is Rp 10 billion;
- b. The rupiah demand deposit balance of the Bank recorded at Bank Indonesia on the 1st day of the month is a negative Rp 1 billion;
- c. The Indicated Rate of Return on the PUAS on the 2nd day of the month is 11% (eleven percent);
- d. The financial penalty for the 2nd day of the month is:

$$\begin{aligned} & [\text{Rp 10 billion} \times 1.25 \times 0.11 \times 1/360] + [\text{Rp 1 billion} \times 1.50 \times 0.11 \times 1/360] \\ & = \text{Rp 3,819,444.44} + \text{Rp 4,458,333.33} \end{aligned}$$

$$= \underline{\underline{\text{Rp 4,277,777.77}}}$$



= Rp 4.277,777.77

In the event that the demand deposit balance of the Sharia Division/sharia branch offices indicates a negative balance upon closure of the accounting system by Bank Indonesia, the Sharia Division/sharia branch offices shall nevertheless be liable to a financial penalty even though the sum of the demand deposit balances for the Sharia Division/sharia branch offices and the head office/conventional branch offices is still positive.

The sum of these demand deposit balances shall be used only for determining suspension from clearing for a bank having a Sharia Division in accordance with Bank Indonesia Regulation No. 2/4/PBI/2000 dated February 11, 2000, which constitutes an amendment to Bank Indonesia Regulation No. 1/3/PBI/1999.

#### Article 15

Self-explanatory.

#### Article 16

Paragraph (1)

Self-explanatory

Paragraph (2)

The applicable transaction rate is the selling rate plus the buying rate divided by two.

#### Article 17

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

#### Article 18

Self-explanatory.

#### Article 19

#### Article 19

Implementing regulations for the Statutory Reserve are defined as including but not limited to:

- a. Details of Bank DPK;
- b. Reporting procedure;
- c. Report forms;
- d. Sanctions pertaining to delivery of reports;
- e. Guidelines for Formulation of Commercial Bank Weekly Reports as stipulated in:
  - ñ Decree of the Board of Managing Directors of Bank Indonesia Number 28/113/KEP/DIR dated December 14, 1995, concerning the Statutory Reserve for Commercial Banks at Bank Indonesia in Rupiahs and Foreign Currency;
  - ñ Circular Letter of Bank Indonesia Number 28/10/UPPB dated December 14, 1995, concerning the Statutory Reserve for Commercial Banks at Bank Indonesia in Rupiahs and Foreign Currency,

insofar as these provisions do not contravene this Bank Indonesia Regulation.

#### Article 20

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
NUMBER 3935

DPNP